

UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

INTERIM REPORT

SEPTEMBER 30, 1966



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

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INDEX

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report  
Consolidated Balance Sheet  
Consolidated Statement of Earnings and Retained Earnings

SUPPLEMENTAL INFORMATION

Page	1	United Dominions group of companies
	2	Volume of business - Retail instalment financing
	3	- Wholesale financing
	4	Summary of receivables
	5	Analysis of receivables - Instalment notes receivable - retail
	6	- Notes receivable - wholesale
	7	- Loans against mortgages, debentures and notes
	8	Maturity of receivables - Instalment notes receivable - retail
	9	- Loans against mortgages, debentures and notes
	10	Schedule of major debtors - Commercial division
	11	- Mortgage and capital loan division
	12	Reserve for losses reconciliation
	13	Loss experience
	14	Analysis of past due instalments on receivables
	15	Property, vehicles and equipment held for sale
	16	Schedule of borrowings
	17	Maturity of borrowings
	18	Liquidity statement
	19	Deferred income





# PRICE WATERHOUSE & CO.

55 YONGE STREET

TORONTO 1

November 14, 1966.

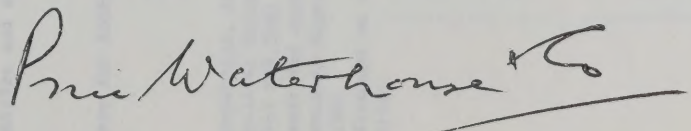
## AUDITORS' REPORT

To the Directors of  
United Dominions Corporation (Canada) Limited:

We have examined the consolidated balance sheet of United Dominions Corporation (Canada) Limited and subsidiary companies as at September 30, 1966 and the consolidated statement of earnings and retained earnings for the period of six months ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of earnings and retained earnings present fairly the financial position of the companies as at September 30, 1966 and the results of their operations for the period of six months ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The supplemental information appearing on the accompanying pages 1 to 19 was prepared by the companies almost entirely from statistical data which is complementary to, but does not form part of, the accounting records which we examined in the course of our examination of the consolidated financial statements as at September 30, 1966. We have reviewed the aforementioned supplemental information and have found nothing to indicate material inconsistency with the consolidated financial statements submitted herewith.

A handwritten signature in dark ink, reading "Price Waterhouse & Co.", with a horizontal line underneath.

Chartered Accountants.





CONSOLIDATED BALANCE SHEET

	September 30	
	1966	1965
<b>ASSETS</b>		
<b>CASH</b>	\$ 755,773	\$ 454,259
<b>RECEIVABLES:</b>		
Installment notes receivable and lien obligations-		
Retail	18,090,097	22,625,041
Wholesale	841,582	2,804,625
	<u>18,931,679</u>	<u>25,429,666</u>
Loans against mortgages, debentures and notes	18,794,574	18,147,746
Property, vehicles and equipment held for sale	646,269	378,358
Other	186,559	202,113
	<u>38,559,081</u>	<u>44,157,883</u>
Less- Allowance for doubtful accounts	583,856	547,476
	<u>37,975,225</u>	<u>43,610,407</u>
<b>OTHER ASSETS:</b>		
Investment properties, at cost (less accumulated depreciation \$43,650; 1965 \$39,508)	199,927	310,769
Office equipment and automobiles, at cost (less accumulated depreciation \$144,012; 1965 \$137,230)	83,281	108,290
Unamortized discount on short-term notes and debentures	244,331	293,148
	<u>527,539</u>	<u>712,207</u>
	<u>\$39,258,537</u>	<u>\$44,776,873</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Demand and short-term notes payable:		
Secured	\$24,841,831	\$ -
Unsecured	575,000	33,352,000
Sinking fund payment due within one year	80,000	-
Accounts payable and accruals	178,445	187,093
Income taxes payable	149,825	133,318
Dealers' credit balances	83,694	89,102
	<u>25,908,795</u>	<u>33,761,513</u>
<b>DEFERRED INCOME:</b>		
Unearned service charges	1,738,279	2,195,833
Unamortized mortgage discount	105,875	131,457
	<u>1,844,154</u>	<u>2,327,290</u>
	<u>2,400,000</u>	<u>-</u>
<b>6½% SINKING FUND JUNIOR SECURED DEBENTURES, Series A, maturing February 15, 1981 (less amount due within one year, shown above)</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Capital stock-		
Authorized-		
4,000,000 shares of the par value of \$5 each		
Issued-		
1,400,000 shares		
General reserve	7,000,000	7,000,000
Retained earnings	1,000,000	1,000,000
	<u>1,105,588</u>	<u>688,070</u>
	<u>9,105,588</u>	<u>8,688,070</u>
	<u>\$39,258,537</u>	<u>\$44,776,873</u>

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UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

	Six months ended September 30	
	1966	1965
Earned income	\$1,814,040	\$1,837,175
Cost of borrowings:		
Short-term notes	863,886	858,733
Debentures, including amortization of discount	88,078	-
	<u>951,964</u>	<u>858,733</u>
	862,076	978,442
General and administrative expenses	445,007	579,260
Directors' fees	7,750	7,750
Depreciation	<u>18,567</u>	<u>22,672</u>
	<u>471,324</u>	<u>609,682</u>
Earnings before the undernoted items	390,752	368,760
Income taxes	<u>198,000</u>	<u>178,000</u>
Earnings before special item	192,752	190,760
Gain on sale of property held as an investment	<u>67,744</u>	<u>-</u>
Net earnings for the period, including special item	260,496	190,760
Retained earnings at beginning of period	<u>845,092</u>	<u>497,310</u>
Retained earnings at end of period	<u><u>\$1,105,588</u></u>	<u><u>\$ 688,070</u></u>



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

UNITED DOMINIONS GROUP OF COMPANIES  
SEPTEMBER 30, 1966

UNITED DOMINIONS CORPORATION (CANADA) LIMITED

The parent company, which has been operating since 1954.

UNITED DOMINIONS FINANCE CORPORATION LIMITED  
UNITED DOMINIONS INVESTMENTS LIMITED

Both wholly owned subsidiary companies, established in 1962. The funds required for operation of these subsidiary companies are provided entirely by way of advance from the parent company.

The financing services provided by the United Dominions group may be categorized into three divisions:

I Commercial Division

- (a) the financing of instalment purchases of commercial and industrial equipment;
- (b) short term business loans;
- (c) inventory financing to dealers on commercial and industrial equipment.

All companies in the group operate in this division.

II Consumer Division

- (a) the financing of instalment purchases of automobiles, household furniture and appliances and other consumer durable goods;
- (b) consumer loans, including small loans under the Small Loans Act (Canada);
- (c) inventory financing to dealers on automobiles and other consumer goods.

The bulk of the financing falling within this division is handled by United Dominions Finance Corporation Limited.

III Mortgage and Capital Loan Division

- (a) mortgage loans secured by residential, industrial and commercial real estate;
- (b) medium term mortgage and debenture loans to businesses for working capital and expansion purposes.

All of the financing in this division is handled by United Dominions Investment Limited.





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

VOLUME OF BUSINESS

RETAIL INSTALMENT FINANCING

	Six months ended September 30, 1966		Year ended March 31, 1966	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Commercial Division:				
Construction equipment	\$3,246,338	40.9	\$ 8,919,506	37.1
Other industrial and commercial equipment	909,617	11.5	2,269,239	9.4
Commercial vehicles	1,083,912	13.7	1,984,659	8.3
Direct business loans	588,220	7.4	1,327,958(1)	5.5
	<u>5,828,087</u>	<u>73.5</u>	<u>14,501,362</u>	<u>60.3</u>
Consumer Division:				
New automobiles	228,805	2.9 )	1,104,768	4.6
Used automobiles	260,524	3.3 )		
Household furniture and appliances	126,393	1.6 )	402,497	1.7
Other consumer goods	116,386	1.5 )		
Direct consumer loans under the Small Loans Act	346,010	4.3	778,930	3.2
Other direct consumer loans	189,799	2.4	442,653(1)	1.9
	<u>1,267,917</u>	<u>16.0</u>	<u>2,728,848</u>	<u>11.4</u>
Mortgage and Capital Loan Division:				
First mortgages	251,985	3.2	3,788,118	15.7
Second mortgages	436,751	5.5	1,828,367	7.6
Business capital loans	145,000	1.8	1,194,000	5.0
	<u>833,736</u>	<u>10.5</u>	<u>6,810,485</u>	<u>28.3</u>
Total retail instalment financing	<u>\$7,929,740</u>	<u>100.0</u>	<u>\$24,040,695</u>	<u>100.0</u>

(1) A breakdown of loans between the commercial and consumer divisions for the year ended March 31, 1966 is not available and estimated figures have been used.





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

VOLUME OF BUSINESS

WHOLESALE FINANCING

	Six months ended September 30, 1966		Year ended March 31, 1966	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Commercial Division:				
Construction equipment	\$417,523	58.3		
Other industrial and commercial equipment	31,000	4.3		
Commercial vehicles	<u>600</u>	<u>.1</u>		
	<u>449,123</u>	<u>62.7</u>		
			Detailed breakdown not available	
Consumer Division:				
Automobiles	196,767	27.4		
Household appliances	<u>70,712</u>	<u>9.9</u>		
	<u>267,479</u>	<u>37.3</u>		
Total	<u>\$716,602</u>	<u>100.0</u>	<u>\$3,080,325</u>	<u>100.0</u>



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

SUMMARY OF RECEIVABLES

	September 30, 1966		March 31, 1966	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Instalment Notes Receivable - Retail:				
Commercial division	\$15,567,659	40.4	\$16,113,962	39.8
Consumer division	<u>2,522,438</u>	<u>6.5</u>	<u>2,806,081</u>	<u>6.9</u>
	<u>18,090,097</u>	<u>46.9</u>	<u>18,920,043</u>	<u>46.7</u>
Notes Receivable - Wholesale:				
Commercial division	755,840	2.0	1,620,559	4.0
Consumer division	<u>85,742</u>	<u>.2</u>	<u>131,298</u>	<u>.3</u>
	<u>841,582</u>	<u>2.2</u>	<u>1,751,857</u>	<u>4.3</u>
Loans Against Mortgages, Debentures and Notes:				
Mortgage loans	16,268,512	42.2	16,417,353	40.5
Business capital loans	2,260,131	5.8	2,395,040	5.9
Other loans	<u>265,931</u>	<u>.7</u>	<u>288,494</u>	<u>.7</u>
	<u>18,794,574</u>	<u>48.7</u>	<u>19,100,887</u>	<u>47.1</u>
Properties, Vehicles and Equipment Held for Sale	646,269	1.7	576,263	1.4
Other Receivables	<u>186,559</u>	<u>.5</u>	<u>193,574</u>	<u>.5</u>
Total	<u>\$38,559,081</u>	<u>100.0</u>	<u>\$40,542,624</u>	<u>100.0</u>





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

ANALYSIS OF RECEIVABLES

INSTALMENT NOTES RECEIVABLE - RETAIL

	September 30, 1966			March 31, 1966		
	No. of A/C's	Amount Outstanding	%	No. of A/C's	Amount Outstanding	%
Commercial Division:						
Construction equipment	600	\$ 8,012,581	44.3	573	\$ 7,765,391	41.0
Other industrial and commercial equipment	598	2,737,956	15.1	660	2,916,854	15.4
Commercial vehicles	496	2,583,707	14.3	511	2,713,329	14.3
Direct business loans	251	2,233,415	12.4	248	2,718,388	14.4
	<u>1,945</u>	<u>15,567,659</u>	<u>86.1</u>	<u>1,992</u>	<u>16,113,962</u>	<u>85.1</u>
Consumer Division:						
New automobiles	436	706,989	3.9	496	848,390	4.5
Used automobiles	572	497,433	2.7	656	564,787	3.0
Household furniture and appliances	839	211,518	1.2	858	224,604	1.2
Other consumer goods	166	126,841	.7	124	70,106	.4
Direct consumer loans under the Small Loans Act	1,092	496,414	2.7	1,238	553,729	2.9
Other direct consumer loans	277	483,243	2.7	312	544,465	2.9
	<u>3,382</u>	<u>2,522,438</u>	<u>13.9</u>	<u>3,684</u>	<u>2,806,081</u>	<u>14.9</u>
Total	<u>5,327</u>	<u>\$18,090,097</u>	<u>100.0</u>	<u>5,676</u>	<u>\$18,920,043</u>	<u>100.0</u>





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

ANALYSIS OF RECEIVABLES

NOTES RECEIVABLE - WHOLESALE

	<u>September 30, 1966</u>		<u>March 31, 1966</u>	
	Amount		Amount	
	<u>Outstanding</u>	<u>%</u>	<u>Outstanding</u>	<u>%</u>
Commercial Division:				
Construction equipment	\$637,187	75.7	\$1,347,283	76.9
Industrial equipment	40,196	4.8	191,789	10.9
Commercial vehicles	<u>78,457</u>	<u>9.3</u>	<u>81,487</u>	<u>4.7</u>
	<u>755,840</u>	<u>89.8</u>	<u>1,620,559</u>	<u>92.5</u>
Consumer Division:				
Automobiles	55,716	6.6	106,603	6.1
Household appliances	<u>30,026</u>	<u>3.6</u>	<u>24,695</u>	<u>1.4</u>
	<u>85,742</u>	<u>10.2</u>	<u>131,298</u>	<u>7.5</u>
Total	<u>\$841,582</u>	<u>100.0</u>	<u>\$1,751,857</u>	<u>100.0</u>



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

ANALYSIS OF RECEIVABLES

LOANS AGAINST MORTGAGES, DEBENTURES AND NOTES

	September 30, 1966			March 31, 1966		
	No. of A/C's	Amount Outstanding	%	No. of A/C's	Amount Outstanding	%
Mortgage Loans:						
Residential-						
Single family	590	\$ 2,057,792	10.9	594	\$ 2,184,924	11.4
Multiple family	35	241,722	1.3	33	231,546	1.2
Apartment buildings	143	4,099,515	21.8	144	4,077,543	21.4
Hotels and motels	38	4,391,616	23.4	37	4,479,263	23.5
Nursing homes and private hospitals	6	924,190	4.9	6	939,067	4.9
Factories and warehouses	27	1,118,403	6.0	30	1,110,160	5.8
Land development	21	535,706	2.9	25	573,974	3.0
Office buildings	6	533,866	2.8	6	542,939	2.8
Retail stores and shopping centres	12	389,133	2.1	10	377,281	2.0
Other commercial properties	43	1,976,569	10.5	41	1,900,656	10.0
	921	16,268,512	86.6	926	16,417,353	86.0
Business Capital Loans	24	2,260,131	12.0	23	2,395,040	12.5
Other Loans	9	265,931	1.4	9	288,494	1.5
	954	\$18,794,574	100.0	958	\$19,100,887	100.0





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

MATURITY OF RECEIVABLES

INSTALMENT NOTES RECEIVABLE - RETAIL

<u>Instalments Maturing</u>	<u>September 30, 1966</u>		<u>March 31, 1966</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
1st month (including past-due instalments)	\$ 1,971,039		\$ 1,384,594	
2nd	1,182,283		1,109,197	
3rd	1,089,755		1,245,665	
4th	916,174		1,143,545	
5th	812,600		1,088,467	
6th	788,130		1,050,306	
7th	727,761		994,265	
8th	753,525		973,655	
9th	798,361		876,240	
10th	775,018		727,375	
11th	765,709		686,380	
12th	712,487		621,250	
	11,292,842	61.5	11,900,939	62.5
13th - 24th months	4,971,357	27.1	5,224,480	27.4
25th - 36th	1,774,675	9.7	1,532,967	8.1
37th - 48th	294,696	1.6	347,972	1.8
49th - 60th	23,115	.1	30,223	.2
Total	<u>\$18,356,685</u>	<u>100.0</u>	<u>\$19,036,581</u>	<u>100.0</u>
(Includes vehicles and equipment held for sale \$266,588; March 31, \$116,538)				



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

MATURITY OF RECEIVABLES

LOANS AGAINST MORTGAGES, DEBENTURES AND NOTES  
(classified by date of final payment)

<u>Year ended March 31</u>	<u>September 30, 1966</u>		<u>March 31, 1966</u>	
	<u>Principal balance</u>	<u>%</u>	<u>Principal balance</u>	<u>%</u>
Demand	\$ 295,709	1.6	\$ 348,925	1.8
1967	126,220	.7	278,786	1.5
1968	323,349	1.7	417,641	2.2
1969	395,720	2.1	424,835	2.2
1970	994,532	5.3	1,034,106	5.4
1971	1,480,982	7.9	1,346,509	7.0
1972	812,387	4.3	799,275	4.2
1973	431,898	2.3	459,221	2.4
1974	2,570,647	13.7	2,689,415	14.1
1975	6,529,410	34.7	6,739,072	35.3
1976	4,013,049	21.3	4,263,624	22.3
After 1976	820,671	4.4	299,478	1.6
	<u>\$18,794,574</u>	<u>100.0</u>	<u>\$19,100,887</u>	<u>100.0</u>





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

SCHEDULE OF MAJOR DEBTORS  
SEPTEMBER 30, 1966  
(including all accounts with a total indebtedness  
in excess of 3% of shareholders' equity)

COMMERCIAL DIVISION

<u>Classification of Accounts by Industries</u>	<u>Gross Balance Outstanding</u>	<u>Description of Security</u>
Instalment notes receivable -		
Retail:		
Construction-		
Account #1 ( 7 a/cs)	\$611,317	Construction equipment and commercial vehicles
Account #2 (12 a/cs)	401,567	Construction equipment and commercial vehicles
Account #3 (12 a/cs)	294,415	Construction equipment and commercial vehicles

There were no instalments past due  
60 days or more on any of the  
above accounts.

Notes receivable - Wholesale:			Maximum Amount outstanding in <u>previous year</u>
Construction equipment-			
Account #4	\$231,600	Earthmoving and con- struction equipment	\$630,812
Account #5	165,044	Earthmoving and con- struction equipment	354,004
Account #6	94,425	Earthmoving and con- struction equipment	332,587



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

SCHEDULE OF MAJOR DEBTORS

SEPTEMBER 30, 1966

(including all accounts with a total indebtedness  
in excess of 3% of shareholders' equity)

MORTGAGE AND CAPITAL LOAN DIVISION

<u>Classification of Accounts by Industries</u>	<u>Gross Balance Outstanding</u>	<u>Description of Security</u>	<u>Original Investment</u>
Mortgage Loans:			
Hotels-			
Account # 7	\$702,663	Motor hotel in B.C.	\$750,000
Account # 8	427,335	Motor hotel in B.C.	450,000
Account # 9	422,491	Motor hotel in Alberta	430,000
Hospitals-			
Account # 10	386,849	Private hospital in British Columbia	400,000
Real Estate Investment-			
Account # 11	292,348	Office building in Ontario occupied by medical-dental profession	300,000
Steel Fabrication and Supply-			
Account # 12	305,416	Factory and warehouse in Ontario	330,000
Business Capital Loans:			
Construction Materials-			
Account # 13	287,958	Mortgage of real estate and equipment and floating charge on other assets	362,000
Account # 14	(249,542) (140,916)	" " " Financing of equipment included under instalment notes receivable - retail	275,000
Foundry and Machine Shop-			
Account # 15	290,299	Mortgage of real estate and equipment and floating charge on other assets	360,000

There were no instalments past due 60 days or more on any  
of the above mortgage loans or business capital loans.





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

RESERVE FOR LOSSES RECONCILIATION

	Six months ended September 30, 1966	Year ended March 31, 1966
Balance beginning of period	\$587,065	\$499,409
Additions:		
Appropriation from income	116,296	359,322
Recoveries	11,059	23,806
	127,355	383,128
Deductions:		
Losses charged	130,564	295,472
Balance end of period	\$583,856	\$587,065
	1.51%	1.45%



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

LOSS EXPERIENCE

Six months ended September 30, 1966

	Commercial Division				Consumer Division		Mortgage and Capital Loan Division	Total	Total for year ended March 31, 1966
	Retail	Wholesale	Retail	Wholesale	Retail	Wholesale			
Outstandings March 31, 1966	\$16,219,689	1,620,559	2,816,892	131,298	2,816,892	131,298	19,560,612	40,349,050	\$38,437,161
Volume for period	5,828,087	449,123	1,267,917	267,479	1,267,917	267,479	833,736	8,646,342	27,121,020
	22,047,776	2,069,682	4,084,809	398,777	4,084,809	398,777	20,394,348	48,995,392	65,558,181
Outstandings September 30, 1966	15,833,924	755,840	2,522,761	85,742	2,522,761	85,742	19,174,255	38,372,522	40,349,050
Liquidation for period	\$ 6,213,852	1,313,842	1,562,048	313,035	1,562,048	313,035	1,220,093	10,622,870	\$25,209,131
Losses charged off	\$ 93,821	-	24,224	4,232	24,224	4,232	8,287	130,564	\$ 295,472
Less- Recoveries	1,738	-	6,821	-	6,821	-	2,500	11,059	23,806
Net losses	\$ 92,083	-	17,403	4,232	17,403	4,232	5,787	119,505	\$ 271,666
% of Liquidation	1.48%	-	1.11%	1.35%	1.11%	1.35%	.47%	1.12%	1.08%





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

ANALYSIS OF PAST DUE INSTALMENTS ON RECEIVABLES  
SEPTEMBER 30, 1966

	Commercial Division		Consumer Division		Mortgage and Capital Loan Division		Total September 30, 1966		Total March 31, 1966	
	A/C's	%	A/C's	%	A/C's	%	A/C's	%	A/C's	%
Number of accounts in arrears										
31 - 60 days	82	4.2	48	1.4	13	1.4	143	2.3	188	2.8
61 - 90 days	22	1.1	12	.4	17	1.8	51	.8	52	.8
Over 90 days	25	1.3	23	.7	25	2.6	73	1.2	101	1.5
Total	129	6.6	83	2.5	55	5.8	267	4.3	341	5.1
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Instalments in arrears										
31 - 60 days	\$ 85,038	.6	\$ 3,592	.1	\$ 12,722	.1	\$ 101,352	.3	\$ 79,342	.2
61 - 90 days	19,995	.1	1,610	.1	9,966	-	31,571	.1	38,431	.1
Over 90 days	69,875	.4	4,972	.2	75,565	.4	150,412	.4	140,194	.4
Total	\$174,908	1.1	\$10,174	.4	\$ 98,253	.5	\$283,335	.8	\$ 257,967	.7
Balances outstanding on accounts in arrears 90 days and over	\$156,441	1.0	\$16,870	.7	\$565,933	3.0	\$739,244	2.0	\$1,020,854	2.7



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

PROPERTY, VEHICLES AND EQUIPMENT HELD FOR SALE

	<u>September 30, 1966</u>		<u>March 31, 1966</u>	
	<u>No. of</u>	<u>Amount</u>	<u>No. of</u>	<u>Amount</u>
	<u>Accounts</u>	<u>Outstanding</u>	<u>Accounts</u>	<u>Outstanding</u>
Commercial Division:				
Construction equipment	5	\$ 87,762	6	\$ 85,214
Other industrial and commercial equipment	3	30,763	1	10,133
Commercial vehicles	9	60,992	4	10,380
Equipment - direct business loans	<u>1</u>	<u>86,748</u>	<u>—</u>	<u>—</u>
	18	266,265	11	105,727
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Consumer Division:				
Automobiles			8	7,873
Other consumer goods	1	323	1	1,271
Consumer small loans	<u>—</u>	<u>—</u>	<u>2</u>	<u>1,667</u>
	1	323	11	10,811
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Mortgage and Capital Loan Division:				
Residential properties-				
Single family	5	31,838	13	72,020
Multiple family	1	3,780	3	29,255
Apartment buildings (Note)	4	314,723	4	328,742
Other commercial properties	<u>2</u>	<u>29,340</u>	<u>2</u>	<u>29,708</u>
	12	379,681	22	459,725
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	31	\$646,269	44	\$576,263
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total estimated loss reserve required		<u>\$ 34,523</u>		<u>\$ 36,100</u>

Note- Pending sale, the apartment buildings are being managed for the account of the company by property management agents.



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

SCHEDULE OF BORROWINGS  
SEPTEMBER 30, 1966

	Amount outstanding during year ended September 30, 1966 (1)		Amount outstanding September 30, 1966
	<u>Maximum</u>	<u>Minimum</u>	
Period prior to February 15, 1966 (2)			
Bank loans under lines of credit-			
Unsecured	\$15,800,000	\$ 8,900,000	
Open market borrowings-			
Unsecured	24,377,828	15,929,063	
Period subsequent to February 15, 1966 (2)			
Bank loans under lines of credit-			
Secured	6,300,000	-	\$ 2,800,000
Open market borrowings-			
Unsecured	10,975,235	575,000	575,000
Secured	27,430,866	11,862,000	22,041,831
Long-term debt - subordinated-			
Secured	2,500,000	2,480,000	2,480,000

1. As determined by month-end balances.
2. Prior to creation of the trust deeds regulating the borrowings of the company dated February 15, 1966, all borrowings of the company were on an unsecured basis. Effective February 15, 1966, the company offered to exchange existing outstanding unsecured notes for an equivalent amount of secured notes. At September 30, 1966, \$575,000 principal amount of unsecured notes had not been exchanged.
3. Maximum total of bank and open market borrowings at any month-end during the year - \$33,277,828 at October 31, 1965.





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

MATURITY OF BORROWINGS  
SEPTEMBER 30, 1966

DEMAND AND SHORT-TERM NOTES PAYABLE

Bank Loans - payable upon demand		\$ 2,800,000
Short Term Notes:		
October 1966	\$5,589,099	
November	6,477,000	
December	6,845,802	
January 1967	2,670,930	
February	66,000	
March	225,000	
April	265,000	
May	-	
June	145,000	
July	300,000	
August	15,000	
September	18,000	
	<u>22,616,831</u>	
		<u><u>\$25,416,831</u></u>

LONG-TERM DEBT

6 $\frac{3}{4}$ % Sinking Fund Junior Secured Debentures

Series A, maturing February 15, 1981:

February 15, 1967 - balance of sinking fund requirement	\$ 80,000
February 15, 1968 to 1980 sinking fund requirement	
(13 x \$100,000)	1,300,000
February 15, 1981	<u>1,100,000</u>
	<u><u>\$ 2,480,000</u></u>



UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

LIQUIDITY STATEMENT  
SEPTEMBER 30, 1966

		Maturity of Borrowings (excluding bank loans)		Instalments Maturing on Notes Receivable - Retail and on Loans against Mortgages, Debentures and Notes	
		<u>Month</u>	<u>Cumulative</u>	<u>Month</u>	<u>Cumulative</u>
October	1966	\$ 5,589,099	5,589,099	2,245,793	2,245,793
November		6,477,000	12,066,099	1,415,310	3,661,103
December		6,845,802	18,911,901	1,348,349	5,009,452
January	1967	2,670,930	21,582,831	1,146,868	6,156,320
February		146,000	21,728,831	1,063,593	7,219,913
March		225,000	21,953,831	1,067,918	8,287,831
April		265,000	22,218,831	973,057	9,260,888
May		-	22,218,831	980,312	10,241,200
June		145,000	22,363,831	1,028,921	11,270,121
July		300,000	22,663,831	1,019,657	12,289,778
August		15,000	22,678,831	999,333	13,289,111
September		18,000	22,696,831	941,658	14,230,769
October	1967 to				
September	1968	100,000	22,796,831	7,818,031	22,048,800

LIQUIDITY RESERVE

			<u>% of borrowings maturing within one year</u>
Cash		\$ 755,773	
Open Lines of Credit-			
Total lines of credit	\$16,800,000		
Less- Bank borrowings	<u>2,800,000</u>	<u>14,000,000</u>	
		14,755,773	65.0%
Receivables Payable on Demand-			
Notes receivable - wholesale	841,582		
Loans against mortgages, debentures and notes	<u>295,709</u>	1,137,291	
Properties Held for Sale		<u>379,681</u>	
Total		<u>\$16,272,745</u>	71.7%





UNITED DOMINIONS CORPORATION (CANADA) LIMITED  
AND SUBSIDIARY COMPANIES

DEFERRED INCOME  
SEPTEMBER 30, 1966

	<u>Unearned Service Charges</u>	<u>Unamortized Mortgage Discount</u>
Deferred income March 31, 1966	\$1,790,750	\$117,463
Add- Unearned service charges on business acquired during period	<u>991,558</u> 2,782,308	<u>2,493</u> 119,956
Deduct:		
Rebates allowed on prepayment of accounts	127,232	32
Earned portion of service charges taken into income	<u>916,797</u>	<u>14,049</u>
Deferred income September 30, 1966	<u>\$1,738,279</u>	<u>\$105,875</u>
 % of Related Receivables	 9.86%	 11.07%
 Deferred Income as a percent of Related Receivables at March 31, 1966	 9.79%	 11.46%

Method for Determination of Earned Income:

1. Unearned Service Charges-

Unearned service charges (less dealer reserves) on business acquired are credited in their entirety to deferred income. Amounts are transferred to earned income monthly, as follows:

- (a) 5% of the service charges on business acquired during the month is transferred to income in the month of acquisition. On the basis that business is acquired on the average on the 15th of the month, this 5% represents approximately the charges earned for the first half month.
- (b) The remainder of the service charges is taken into income over the term of the contracts according to a variation of the "78ths" or "sum of the digits" method. The variation merely corrects for the fact that the financing of commercial and industrial equipment frequently involves contracts with "skip" or irregular payments and that income on such contracts is more accurately determined on the basis of the diminishing balance outstanding rather than by strict adherence to the "sum of the digits" method.

2. Unamortized Mortgage Discounts-

Deferred income arises only on mortgage transactions where mortgages are purchased or arranged at the request of the mortgagor at a discount. The entire discount is credited to deferred income and is transferred into earned income over the term of the mortgage in direct proportion to the diminishing balance outstanding.







